



CHAMBER OF  
COMMERCE

*Adopted by the  
Board of Directors,  
February 26, 2004*

February 20, 2004

TO: Board of Directors  
FROM: Rick Di Napoli, Chair, Infrastructure Committee  
RE: City of San Jose Industrial Land Conversion Policy

**Recommendation:**

The San Jose Silicon Valley Chamber of Commerce urges the City of San Jose to expedite the development of a measured industrial land conversion policy that balances the capability for future job growth with the area's acute need for additional housing units and revenue-producing retail/commercial projects.

**Background:**

For many years it has been appropriate for San Jose to retain for future use virtually all designated industrial land. Now, changing trends would indicate that a policy of selective conversion based on sound criteria is the most appropriate course of action. Some key factors leading to this conclusion include:

- A desperate need exists for an expanded housing supply to serve both our existing and potential employment base.
- Retail leakage from San Jose to other cities is dramatic, and could be abated with additional, select retail/commercial projects.
- The economics of industrial facility construction are driving companies to build vertical, multi-story industrial/high tech facilities, requiring less land.
- In certain cases, conversion to non-industrial uses can provide development credits to help maximize utilization of remaining industrial land.

As the city's recently adopted Economic Development Strategy correctly points out, San Jose's future growth will be stimulated largely by small and mid-size firms; sometimes known as "driving industries." Providing facilities for their growth, housing for their employees, and a revenue stream to pay for necessary public services, together form the basis for our city's future.

**Conclusion:**

The Chamber should advocate for the speedy completion of the policy, as well as the following specifics:

- A realistic estimate of the number of jobs that will be created by 2020.
- Addition of Coyote Valley into estimates of the amount of land available for development.
- A more liberal Floor Area Ratio (FAR) policy that considers higher FAR's where appropriate and also swaps FAR's where appropriate to more effectively use available land.